

RESOLUTION 87-52

RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Bell Investment Group for Parkside Residence under the Rental Housing Mortgage Loan Program and has recommended to the Board of Directors that such loan be approved; and

WHEREAS, based upon the recommendation of staff, the Board of Directors has determined that an initial loan commitment be made to such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:

- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit an initial commitment letter, subject to the recommended terms and conditions set forth in the attached report of CHFA staff dated November 3, 1987 for:

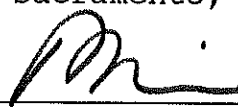
PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
87-23-N	Parkside Residence Pittsburg	34	\$930,000

- (2) The initial commitment letter shall specifically state that the commitment is subject to the Agency's issuance of a final commitment to the sponsor not later than 6 months.
- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this resolution by an amount not to exceed seven percent (7%) without further Board approval. All other changes, including changes in mortgage amount of more than seven percent (7%), must be submitted to the Board for approval.

I hereby certify that this is a true and correct copy of Resolution 87-52 adopted at a duly constituted meeting of the

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3 Board of Directors of the California Housing Finance Agency  
4 held on November 19, 1987 at Sacramento, California.

5 ATTEST:   
6 Secretary

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State of California

M E M O R A N D U M

To : Lending/Insurance Committee Date : November 3, 1987

From : Warren Seeto  
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Parkside Residence  
Pittsburg, Contra Costa County  
CHFA# 87-23-N

Action Request

The purpose of this memorandum is to recommend an Initial Commitment under the Agency's Rental Housing Mortgage Loan Program in the amount of \$930,000 to rehabilitate 34 housing units in the City of Pittsburg. Initial commitment is predicated solely on the Income Loan Analysis and is intended to give a preliminary feasibility determination. The sponsor has 180 days to obtain a Final Loan Commitment. The final application for mortgage financing will be supported by an independent market analysis, MAI Appraisal, and will be approved by all the Agency's disciplines.

Analysis

The current site is comprised of 20 buildings located on 2.4 acres in a residential area of Pittsburg. The site is located across from a city park and is bounded on the opposite side by single family residential structures that are in good condition. Convenient shopping can be found a block from the subject site and major shopping can be found a half mile distance on Railroad Avenue. The City of Pittsburg and the County of Contra Costa have experienced tremendous growth within the last five years. The county has seen major office developments in the cities of Concord and Walnut Creek which is less than twenty minutes away from the City of Pittsburg. Because of such growth, the City of Pittsburg has been experiencing tremendous construction growth in multi-family housing development. Within the past two years over 1700 units have been built in the City of Pittsburg.

The existing 60 unit structures will be converted into a total of 34 units. This will lower the density of the project. Four of the twenty buildings will be torn down. These 34 units will comprised of 28 three bedrooms units and six two bedroom units. The units will be one story and will be contained in 16 buildings. A condition of the commitment will be that site control must be obtained from FSLIC and other private ownership before CHFA'S permanent takeout will be provided.

#### Project Requirements

It is currently projected, based upon the income approach, that the developer will be required to provide cash equity in the amount of \$863,844, which represents 48.15% of the projected cost. The sponsor is obtaining financial assistance from the City in meeting this equity requirement in the form of a rental rehabilitation grant of \$170,000 and the City of Pittsburg acquisition loan of \$330,000. The requested loan amount of \$930,000 represents a 51.84% loan to development cost ratio. The rehabilitation conversion of one bedroom units to two and three bedroom units must be completed with plans that are acceptable to the Agency. A proposed site plan and overall elevation must be provided and approved by the Agency. These and other design requirements must be met as a condition of the commitment. The entire block, which currently consists of 20 buildings, must be under one ownership and be completely rehabilitated as one entire project in order to insure project integrity.

#### Development Team

Developer, Bell Investment Group. Bell Investment Group has been engaged in multi-family residential renovation in Pittsburg, California since 1984. It has completed several projects. The first is the remodeling and renovation of a 30 room hotel into 10 two bedroom apartment units. This project is located at 928 Black Diamond Street in the City of Pittsburg. The other project is the remodeling and renovation of a retail store and second floor living quarters into a three bedroom unit located at 472 West 8th Street in the City of Pittsburg.

Prior to 1984 the three partners in the Bell Investment Group were separately engaged in real estate investment in Contra Costa County since 1979.

William D. Katzemayer is a General Sales Manager for Valley Nissan Volvo automobile dealership in Dublin.

Gayle Andrews is Vice President of Auto Plant, an automobile warranty company with offices in Los Angeles and Pleasant Hill.

Michael F. Kelly is an electronic engineer with a Doctors Degree from the University of California, who is currently working at Lawrence Livermore National Laboratory in Livermore.

General Contractor, Stubblefield Construction. Robert Stubblefield has been a licensed general contractor since 1979. He has completed projects throughout the Bay Area including commercial and residential remodeling and new construction.

Management Agent. A Management Agent has not been selected. The selected agent will satisfy CHFA requirements.

WS/mc